



HOUSE OF REPRESENTATIVES

COMMITTEE ON GOVERNMENT OPERATIONS

REP. MIKE MUELLER

CHAIR

COMMITTEE MEETING MINUTES

Wednesday, December 8, 2021

8:15 AM

Room 308, House Office Building

The House Committee on Government Operations was called to order by Chair Mueller.

At 8:16 AM, the Chair laid the committee at ease.

At 8:17 AM, the Chair called the committee back to order.

The Chair requested attendance be called:

Present: Reps. Mueller, VanWoerkom, Hauck, Cherry, Rabhi.

Absent: None.

Excused: None.

Representative Hauck moved to adopt the meeting minutes from November 4, 2021. There being no objection, the motion prevailed by unanimous consent.

The Chair laid SB 671 before the committee:

SB 671 (Sen. Horn)

A bill to amend 1996 PA 381, entitled "Brownfield redevelopment financing act," by amending sections 2, 13c, and 14a (MCL 125.2652, 125.2663c, and 125.2664a), section 2 as amended by 2020 PA 259 and sections 13c and 14a as added by 2017 PA 46.

Senator Horn testified in support of SB 671. Questions and discussion followed.

The following people submitted a card in support of SB 671, but did not wish to speak:

Nicole Nystrom, representing Rocket Mortgage.

Steven Japinga, representing the Lansing Regional Chamber.

Nate Henschel, representing the Grand Rapids Chamber.

Jen Rigterink, representing the Michigan Municipal League.

Bill Jackson, representing the City of Grand Rapids.

Representative Hauck moved to report out SB 671 with recommendation. The motion prevailed 4-1-0:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: Rep. Rabhi.

Pass: None.

The Chair laid HB 5602, HB 5603 and HB 5604 before the committee:

HB 5602 (Rep. O'Malley)	A bill to amend 2000 PA 489, entitled "Michigan trust fund act," by amending section 2 (MCL 12.252), as amended by 2020 PA 359, and by adding section 4.
HB 5603 (Rep. Calley)	A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 9 (MCL 125.2009), as amended by 2017 PA 109, and by adding section 88t.
HB 5604 (Rep. Frederick)	A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending section 9 (MCL 125.2009), as amended by 2017 PA 109, and by adding section 88s.

Representative O'Malley, Representative Calley, and Representative Frederick, testified in support of HB 5602, HB 5603 and HB 5604. Questions and discussion followed.

Wendy Block, representing the Michigan Chamber of Commerce, testified in support of HB 5602, HB 5603 and HB 5604. Questions and discussion followed.

John Walsh, representing the Michigan Manufacturing Association, testified in support of HB 5602, HB 5603 and HB 5604. Questions and discussion followed.

Bob Trezise, representing the Economic Development Leaders for Michigan, testified in support of HB 5602, HB 5603 and HB 5604.

The following people submitted a card in support of HB 5602, HB 5603 and HB 5604, but did not wish to speak:

Steven Japinga, representing the Lansing Regional Chamber.

Nate Henschel, representing the Grand Rapids Chamber.

Winston Feeheley and Dave Palsrock, representing DTE Energy.

Lisa Canda, representing the Michigan Regional Council of Carpenters.

Brad Williams, representing the Detroit Regional Chamber.

Jeff Stoutenberg, representing DOW.

Leigh Kegerreis, representing UAW.

Mike Spence, representing the Southeast Michigan Council of Government.

Tony Mosesso, representing ITC.

Jennifer Owen, representing Lakeshore Advantage.

Jim McBryde, representing the Middle Michigan Development Corp.

Kate Devries, representing Economic Development Leaders for Michigan.

Maureen Krause, representing the Detroit Regional Partnership.
Rusty Merchant, representing the Winning Michigan Jobs Coalition.
Matt Patton, representing the Detroit Regional Chamber.
Brian O'Connell, representing General Motors.
Cathy Wilson, representing Consumers Energy.
Marty Fittante, representing Invest-UP.
Glenn Stevens, representing Michigauto.

The following people submitted a card in opposition to HB 5602, HB 5603 and HB 5604, but did not wish to speak:

James Hohman, representing the Mackinac Center.
Diana Prichard and Annie Patnaucle, representing Americans for Prosperity.
Tim Monotas, representing the Sierra Club.

At 9:07 AM, the Chair laid the committee at ease.

At 9:17 AM, the Chair called the committee back to order.

Quentin Messer, Greg Bird and Josh Hunt, all representing the Michigan Economic Development Corporation, testified in support of HB 5602, HB 5603 and HB 5604. Questions and discussion followed.

Tim Sowton, representing the Business Leaders for Michigan, testified in support of HB 5602, HB 5603 and HB 5604.

The Chair laid HB 5613 before the committee:

HB 5613 (Rep. Mueller)

A bill to amend 1921 PA 2, entitled "An act to promote the efficiency of the government of the state, to create a state administrative board, to define the powers and duties thereof, to provide for the transfer to said board of powers and duties now vested by law in other boards, commissions, departments and officers of the state, and for the abolishing of certain of the boards, commissions, departments and offices, whose powers and duties are hereby transferred," by amending section 3 (MCL 17.3), as amended by 2019 PA 161.

At 9:47 AM, the Chair laid the committee at ease.

At 9:48 AM, Majority Vice Chair VanWoerkom called the committee back to order.

Chair Mueller testified in support of his legislation. Questions and discussion followed.

The following people submitted a card in support of HB 5613, but did not wish to speak:
Nate Henschel, representing the Grand Rapids Chamber.

The following people submitted a card in opposition to HB 5613, but did not wish to speak:
Tim Monotas, representing the Sierra Club.

At 9:49 AM, Majority Vice Chair VanWoerkom laid the committee at ease.

At 9:49 AM, the Chair called the committee back to order.

The Chair returned to HB 5602, HB 5603, and HB 5604.

Representative VanWoerkom moved to adopt substitute (H-1) to HB 5602. The motion prevailed 5-0-0:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry, Rabhi.

Nays: None.

Pass: None.

Representative VanWoerkom moved to report out HB 5602 with recommendation, as substitute (H-1). The motion prevailed 4-1-0:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: Rep. Rabhi.

Pass: None.

Representative Hauck moved to adopt substitute (H-1) to HB 5603. The motion prevailed 4-0-1:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: None.

Pass: Rep. Rabhi.

Representative Cherry offered the following amendments to HB 5603(H-1):

1. Amend page 11, line 2, after "**project**" by inserting "**as adjusted to match the available resources of the community**".

2. Amend page 11, line 12, after the first "**of**" by inserting "**brownfields**".

3. Amend page 12, following line 12, by inserting:

"(v) **Whether the project will be utilizing a community benefits agreement.**

(w) **The impact the project will have on poverty within the community.**

(x) **Whether the property will utilize RACER trust property.**

(y) **Whether Michigan workers will be used in the construction of the project.**

(z) **Whether this state is given an equity position in the eligible applicant.**" and

renumbering the remaining subdivision.

4. Amend page 17, following line 24, by inserting:

"(g) **An explanation and demonstration of how the criteria described in this section were used in selecting and prioritizing the decisions made by the fund under this section.**".

Representative Cherry moved to adopt the amendments to HB 5603. The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Cherry offered the following amendment to HB 5603 (H-1):

1. Amend page 13, line 7, after "**of**" by inserting "**not less than**".

Representative Cherry moved to adopt the amendment to HB 5603. The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Cherry offered the following amendment to HB 5603 (H-1):

1. Amend page 19, line 12, after "**least**" by striking out "**500**" and inserting "**350**".

Representative Cherry moved to adopt the amendment to HB 5603 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5603 (H-1):

1. Amend page 18, following line 4, by inserting:

"(15) Notwithstanding any other provision of this section, the fund board shall not make an award under this section to an eligible applicant for eligible activities on a strategic site or mega-strategic site unless the eligible applicant provides a public ownership or equity interest to this state." and renumbering the remaining subsection.

Representative Rabhi moved to adopt the amendment to HB 5603. The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative VanWoerkom moved to report out HB 5603 with recommendation, as substitute (H-1). The motion prevailed 4-1-0:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: Rep. Rabhi.

Pass: None.

Representative Hauck moved to adopt substitute (H-1) to HB 5604. The motion prevailed 4-

0-1:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: None.

Pass: Rep. Rabhi.

Representative Rabhi offered the following amendments to HB 5604 (H-1):

1. Amend page 11, line 21, after "(4)" by striking out "If" and inserting "**Except as otherwise provided in subsection (10), if**".

2. Amend page 15, following line 1, by inserting:

"(10) The fund shall not enter into any new agreements under this section 1 year after the effective date of the amendatory act that added this section." and renumbering the remaining subsection.

Representative Rabhi moved to adopt the amendments to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 12, line 12, after "**provision**" by inserting "**is subject to a 25% clawback fee and**".

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

At 10:00 AM, the Chair laid the committee at ease.

At 10:10 AM, the Chair called the committee back to order.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 14, line 1, after "**following**" by inserting "**and shall be made available to the public and posted on the fund's website**".

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 15, line 28, after "**fund**" by inserting "**and that job is a high-wage union job with a salary that is at least equal to the state median household income and includes comprehensive health care coverage and retirement benefits**".

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 15, following line 1, by inserting:

"(10) Notwithstanding any other provision of this section, the fund board shall not make a qualified investment in a qualified business unless that qualified business has established a policy that requires all owners and managers, as determined by the fund board, to submit to and test negative for substance abuse under a substance abuse testing program prescribed by the fund, meets the workforce engagement requirements described in section 107b of the social welfare act, 1939 PA 280, MCL 400.107b, and meets the same asset test for eligibility as described in section 10d of the social welfare act, 1939 PA 280, MCL 400.10d." and renumbering the remaining subsection.

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 15, line 29, by striking out all of enacting section 1 and inserting:

"Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 101st Legislature are enacted into law:

(a) House Bill No. 4971.

(b) House Bill No. 4972."

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Rabhi offered the following amendment to HB 5604 (H-1):

1. Amend page 12, line 20, after "**agreement.**" by inserting "**This state is a secured creditor with the first priority even if the qualified business merges with another business or otherwise transfers the secured assets to another business entity.**".

Representative Rabhi moved to adopt the amendment to HB 5604 (H-1). The motion did not prevail 2-3-0:

UNFAVORABLE ROLL CALL

Yeas: Reps. Cherry, Rabhi.

Nays: Reps. Mueller, VanWoerkom, Hauck.

Pass: None.

Representative Hauck moved to report out HB 5604 with recommendation, as substitute (H-1). The motion prevailed 4-1-0:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: Rep. Rabhi.

Pass: None.

The Chair returned to HB 5613.

Representative VanWoerkom moved to report out HB 5613 with recommendation. The motion prevailed 4-0-1:

FAVORABLE ROLL CALL

Yeas: Reps. Mueller, VanWoerkom, Hauck, Cherry.

Nays: None.

Pass: Rep. Rabhi.

There being no further business before the committee, Chair Mueller adjourned the meeting at 10:19 AM.

Representative Mike Mueller, Chair

Angie Lake
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